

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

**SABLE PERMIAN RESOURCES, LLC, *et al.*,
Debtors.¹**

§
§ **Chapter 11**
§
§ **Case No. 20-33193 (MI)**
§
§ **(Jointly Administered)**
§

**RESPONSE OF DEBTORS TO THE EMERGENCY MOTION OF OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR STATUS CONFERENCE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby respond as follows to the *Emergency Motion of Official Committee of Unsecured Creditors for Status Conference* [Docket No. 585] (the “Status Motion”):

1. The Debtors will participate in any status conference the Court schedules, but believe that a status conference is not necessary at this time and do not want to unnecessarily take up the Court’s time and waste estate resources²—particularly given that the Debtors and the Official Committee of Unsecured Creditors (the “Committee”) will be before the Court next week, on December 8, 2020, for a hearing on the Debtors’ motion to extend their exclusive periods to file and solicit a plan. The Debtors have also been in communication with the Court about using the December 8 hearing to seek conditional approval of their to-be-filed disclosure statement and approval of their solicitation procedures.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Sable Permian Resources, LLC (5172); SPR Stock Holdings, LLC (2065); Sable Permian Resources Operating, LLC (3212); SPR Holdings, LLC (3611); SPRH Finance Corporation (1390); Sable Permian Resources Corporation (9049); Sable Permian Resources Finance, LLC (6841); SPR Finance Corporation (0359); and Sable Land Company, LLC (7101). The location of the Debtors’ main corporate headquarters and the Debtors’ service address is: 700 Milam Street, Suite 3100, Houston, TX 77002.

² The Committee contends that not granting an emergency status conference will “engender unnecessary litigation,” yet the Status Motion is just that.

2. First, there is no need for a status conference with respect to the Committee's motion for derivative standing when the issues, including the Committee's request for emergency consideration and the Debtors' objection thereto, have been (and will be) briefed and heard in due course.³

3. Second, the Committee is correct: the Debtors do intend to file a plan and disclosure statement on December 1, 2020 and to seek conditional approval of the disclosure statement on a shortened schedule, consistent with the typical local practice in this Court. That too will be briefed and the Committee can object on whatever grounds it chooses, including timing, and does not require a status conference. Contrary to the Committee's assertions that the Debtors are attempting to move these chapter 11 cases on an "expedited schedule," any request for conditional approval of a disclosure statement will occur following (a) various announcements by the Debtors (in open court on October 13, 2020 and at various weekly "town hall" meetings) to the Committee and other parties that they would be pursuing conditional disclosure statement approval, (b) numerous months of constructive negotiations among key constituencies in these cases, and (c) an extensive period for all key constituencies (including the Committee) to review both the draft disclosure statement and draft plan.

4. As the Committee's Status Motion recognizes, it has had drafts of the Debtors' plan and disclosure statement for over two weeks, and during those weeks (and even before) the Debtors have been working with the Committee and other stakeholders to incorporate informal comments on all of the plan documents in an attempt to narrow or eliminate issues. To date, the Committee has chosen not to provide comments or inserts to the disclosure statement. To the extent the

³ For the reasons articulated in the Debtors' objection to the Committee's request for emergency consideration of its derivative standing motion [Docket No. 571] and as will be explained more fully in the Debtors' objection to the Committee's motion for derivative standing, there is no basis or justification for the Committee to demand that its request for derivative standing be heard or decided at this stage of these cases.

Committee intends to raise any issues, including with respect to the timing of any filings, those can be addressed at the conditional disclosure statement hearing.⁴

5. Moreover, conditional approval of the Debtors' disclosure statement will be requested following an agreement by the Debtors' DIP lenders to extend the DIP financing's original maturity by an additional two months in order to ensure that the Debtors will have necessary access to liquidity during the Debtors' contemplated plan timetable. The Debtors' plan timeline, subject to Court approval, anticipates a confirmation hearing at the end of January, giving the Debtors just approximately two weeks to confirm and consummate the plan before the mid-February DIP maturity. Quite simply, it is in the best interests of all stakeholders to continue to move these chapter 11 cases forward at this time.

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⁴ If necessary, the Debtors will address, among other things, why conditional approval of their disclosure statement is appropriate and why the notice that will have been provided thereof is appropriate under the circumstances.

Dated: December 1, 2020
Houston, Texas

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Respectfully submitted,

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